

ENROLLED ORIGINAL

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

*Codification
District of
Columbia
Official Code*

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To amend, on an emergency basis, Title 47 of the District of Columbia Official Code to provide for a sales tax holiday beginning at 12:01 a.m. on August 9, 2002 and ending at midnight on August 18, 2002, for clothing and school supplies costing less than \$100 per item.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Back-to-School Sales Tax Holiday Emergency Act of 2002".

Sec. 2. Section 47-2005 of the District of Columbia Code is amended as follows:

**Note
§ 47-2005**

(a) Paragraph (31) is amended by striking the word "and" at the end of the paragraph.

(b) Paragraph (33) is amended by striking the period at the end of the paragraph and inserting the phrase "; and" in its place.

(c) A new paragraph (30) is added to read as follows:

"(33)(A) Subject to the other provisions of this paragraph, sales of any school supply or article of clothing for less than \$100, when the purchase is made between 12:01 a.m. on Friday, August 9, 2002, and midnight on Sunday, August 18, 2002.

"(B) The exemption shall apply to:

"(i) Each eligible item regardless of how many items are sold on the same invoice to a customer;

"(ii) Mail order sales, including online sales, if the seller accepts the order during the exemption period for immediate shipment. Shipping and handling charges shall be included as part of the sales price of the eligible item, whether or not separately stated. If multiple items are shipped on a single invoice, the shipping and handling charges shall be proportionately allocated to each item ordered and separately identified on the invoice;

"(iii) Layaway sales if the retailer and the customer enter into a layaway agreement during the exemption period or if the customer makes final payment on a layaway order during the exemption period;

"(iv) Sales using a rain check, regardless of when the rain check is issued, if the item is actually purchased during the exemption period; and

"(v) Sales of eligible items purchased during the exemption period if the item is later exchanged for another exempt item after the exempt period.

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"(C) The exemption shall not apply to:

"(i) Exempt items normally sold as a unit with nonexempt items if the items are separated in order to qualify for the exemption;

"(ii) Nonexempt items which are exchanged for the exempt items;

"(iii) Items advertised as "buy one, get one free," or "buy one, get one for a reduced price," if one or both items are averaged to qualify for the exemption;

"(iv) Items whose prices are reduced by a manufacturer's coupon to qualify for the exemption;

"(v) Repairs and alterations to exempt items;

"(vi) Items for rent; and

"(vii) Items sold in public lodging establishments.

"(D) For the purposes of this paragraph, the term:

"(i) "Accepts the order" means an action to fill an order for immediate shipment, including placing a date stamp on a mail order or assigning a transaction number to a telephone order.

"(ii) "Clothing" means an article of wearing apparel for humans, including all footwear except skis, swim fins, roller blades, and skates.

"(iii) "Immediate shipment" means an order for which delayed shipment is not requested by the customer.

"(iv) "Public lodging establishment" means a hotel, motel, or any other transient lodging place. The term "public lodging establishment" shall not include a dormitory maintained by an educational institution for the use of students, a hospital, or a nursing home.

"(v) "School supply" means an item purchased for use in the classroom, at home, or for any school activity, including pens, pencils, stationery, book bags, lunchboxes, and calculators.

"(E) A customer who pays sales tax on an exempt item to a retailer during the exempt period shall be entitled to a refund of the tax from the retailer and not from the Mayor."

Sec. 3. Fiscal impact statement.

The Fiscal impact statement is attached.

Sec. 4. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto) and shall remain in effect for no longer than 90 days, as provided for emergency acts of the Council of the District of Columbia in section

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412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788; D.C. Official Code § 1-204.12(a)).

Chairman
Council of the District of Columbia

Mayor
District of Columbia